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Dissecting Corporate Cultures

PUBLIC RELATIONS JOURNAL

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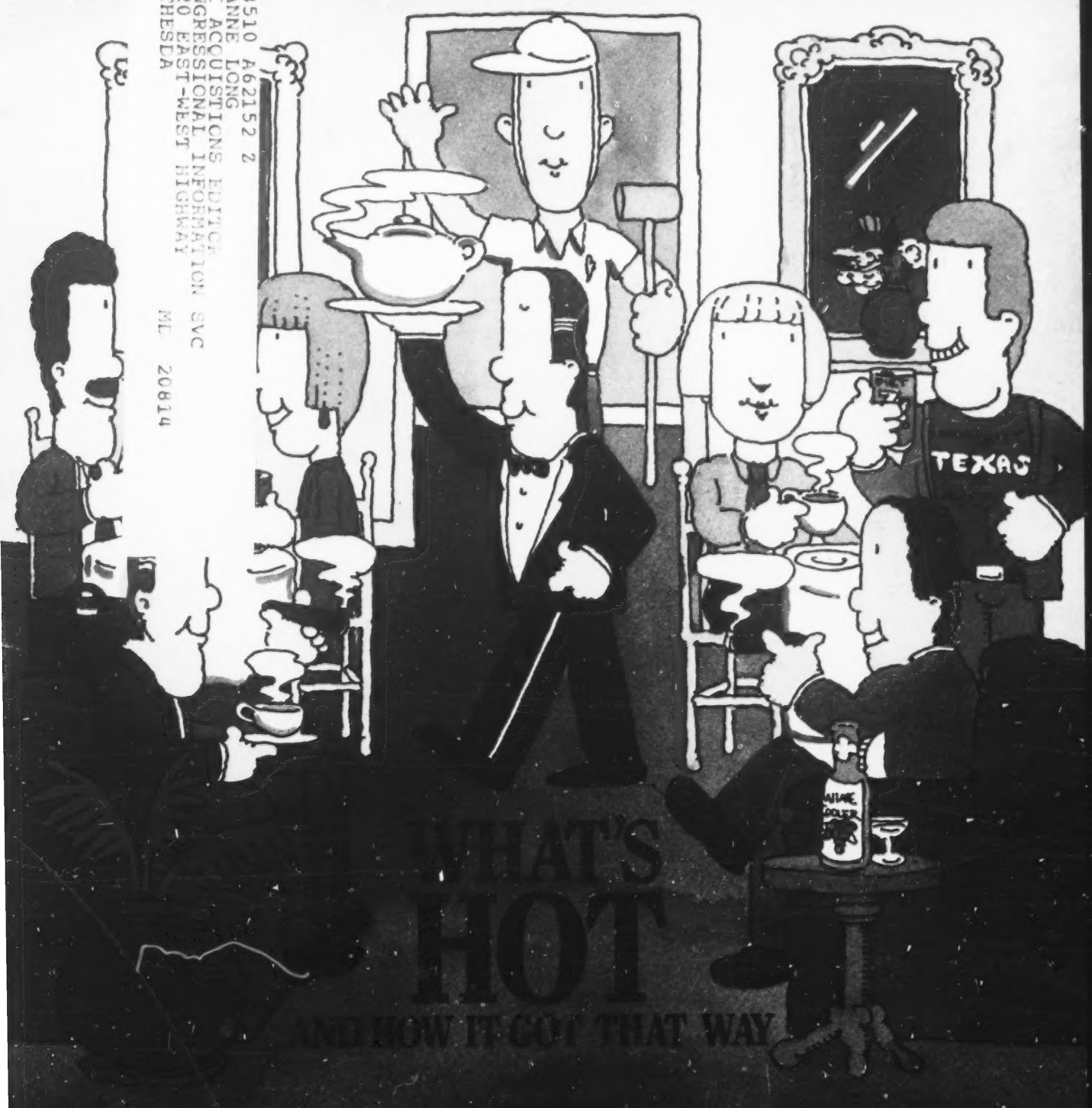

WHAT'S HOT

AND HOW IT GOT THAT WAY

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Cover: *Kimble Pendleton Mead*

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Rapid growth and change has forced many public relations firms to define, hone, and disseminate their own "corporate cultures." In Part I of a two-part series, a look into the process at four such firms. *By Alyse Lynn Booth*

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Behind many a trend, there's a public relations professional. Here's the inside story on six of 1984's hottest properties. *By Hanna Rubin*

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SALARY SURVEY

by Celia Kuperszmid Lehrman

A salary survey is not a crystal ball. Reporting average salaries is a tricky business because determining what is average in a profession as diverse as public relations is difficult. To overcome this problem, we have tried to cover all the proverbial bases while being as specific as possible in reporting public relations salaries by industry, experience levels, and regions. Realizing that salary is not the sole criteria that practitioners consider, we have also included a chart on employment benefits. These figures offer no magic insight into what you should be earning, or paying, but rather an up-to-date picture of industry-wide conditions. Statistical information was supplied to *PRJ* by the PRSA Counselors Academy and by *PR Reporter.*

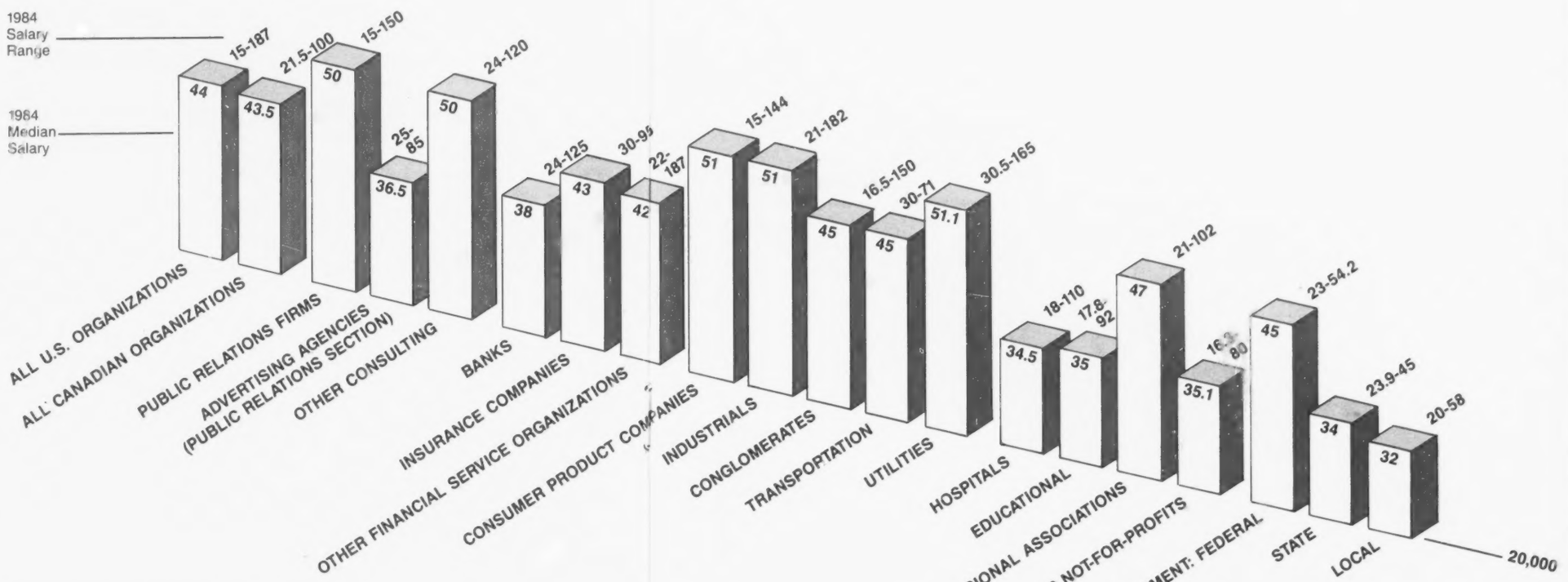
TABLE 1

Median Salaries of Supervisory Public Relations Professionals by Industry

In 1984, public relations practitioners generally received a $2,000 per year gain in median salaries over 1983 figures, with practitioners in consulting firms (+$10,000), utilities (+$7,600), the federal government (+$7,100), consumer-product companies (+$7,000), trade and professional organizations (+$7,000), transportation firms (+$3,300), and hospitals (+$2,700) faring best.

However, median salaries for public relations professionals did not rise in all industries. Due to a combination of factors including high turnover rates, an influx of younger practitioners, and competition from marketing professionals, median salaries are down in conglomerates (–$6,000), educational institutions (–$2,000), local governments (–$2,000), banks (–$2,000), insurance companies (–$1,000), and financial-service organizations (–$1,000).

All the above figures are based on a 1984 survey, by *PR Reporter,* of 4,400 senior practitioners.



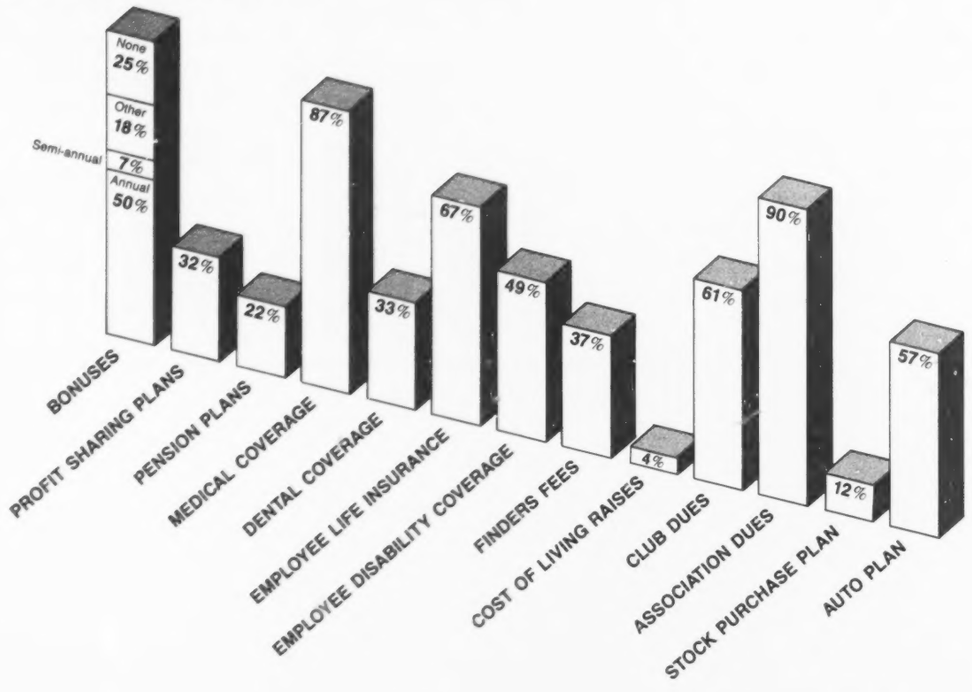
Note: Industry salaries include only U.S. salaries

Source: PR Reporter

Figures in the thousands

TABLE 2

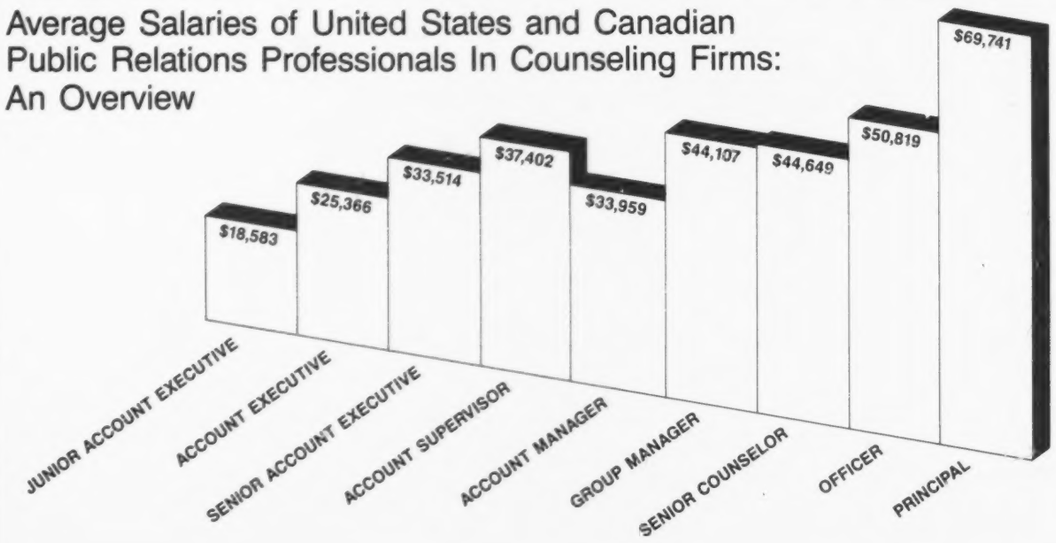
Employment Benefits Given In Counseling Firms: United States and Canada



Source: PRSA Counselors Academy

TABLE 3A

Average Salaries of United States and Canadian Public Relations Professionals In Counseling Firms: An Overview



Source: PRSA Counselors Academy

The figures in Tables 2 and 3 were taken from a 1984 survey, conducted by PRSA's Counselors Academy, of 354 public relations firms in the United States and Canada. Eighty-four percent of the respondents are from single-office firms, and 16 percent are from multiple-office organizations.

Many public relations firms offer monetary compensation in addition to salaries. Table 2 shows 75 percent of firms award bonuses—annual bonuses are the most popular distribution method; 32 percent offer profit-sharing plans; 37 percent give finder's fees; and 12 percent have stock-purchasing plans.

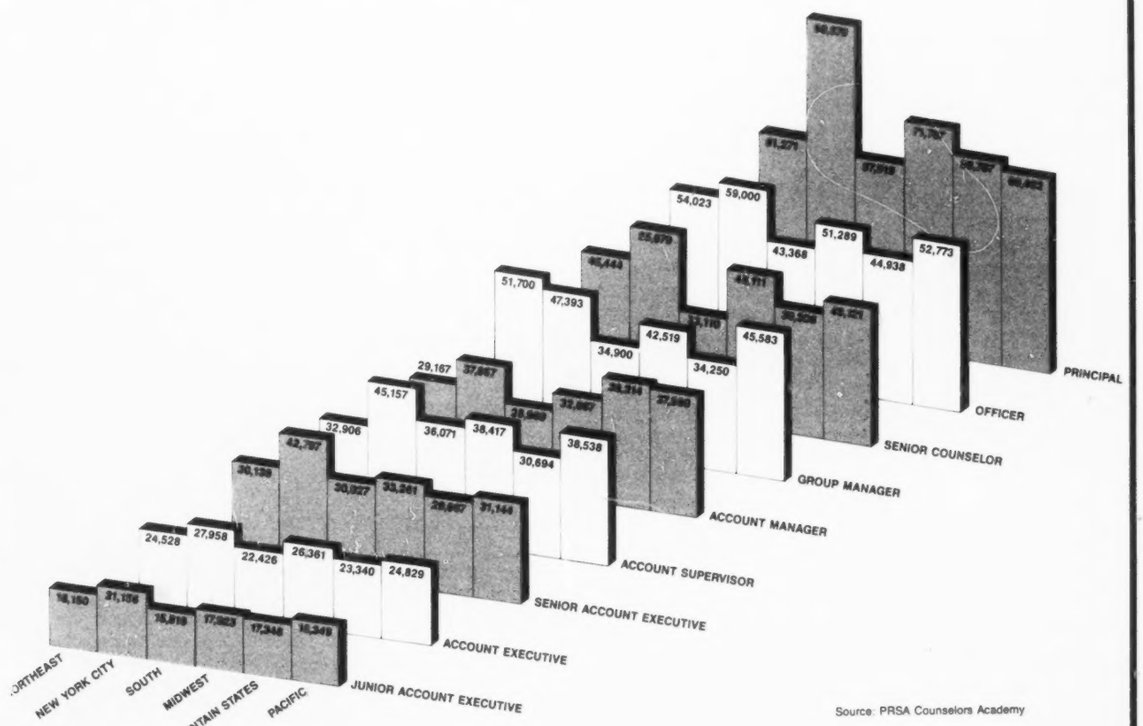
Experience and added responsibility pay, as Table 3A indicates. Beginning public relations professionals can expect their salaries to double or triple during their careers.

Regional salary variations, however, exist at every career level from junior account executive to principal in the firm. Table 3B charts these differences in nine experience levels in six regions across the United States. Not surprisingly, regional variations were most pronounced at the highest level with a $40,959 difference between the average highest and lowest-paid principals. ■

Celia Kuperszmid Lehrman is an assistant editor at the Public Relations Journal.

TABLE 3B

Average Salaries of United States Public Relations Professionals In Counseling Firms By Region



Source: PRSA Counselors Academy

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Purchasing Habits

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Positioning

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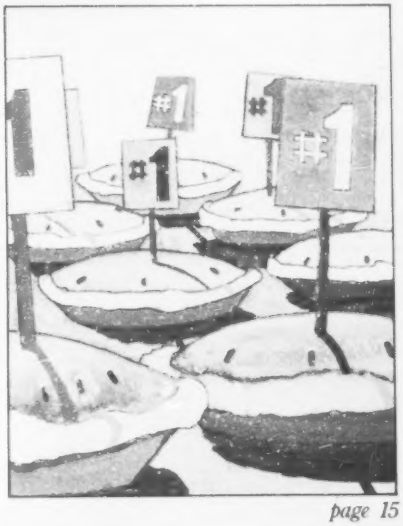

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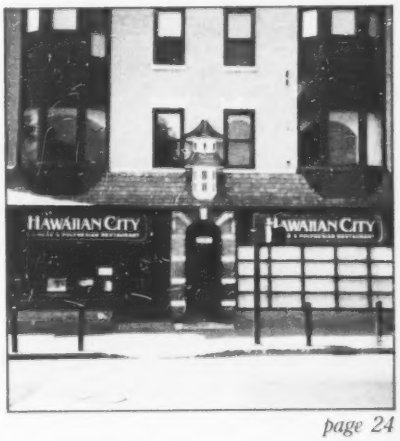

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As they advance in their careers, most professionals find their days filled more with management issues than with the professional problems they were trained to solve. A short course in the management of public relations firms—with lessons for those who manage any organization. *By David Maister*

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Last February we surveyed our readers and discovered a number of important trends in what they buy and what purchases and decisions they influence. *By Celia Kuperszmid Lehrman*

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When residents of this city-suburb woke up to its problems, they asked a public relations firm to help them turn things around. Here are some of the results. *By Barry Jacobs*

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THE BUYING HABITS OF PUBLIC RELATIONS PROFESSIONALS

A recent *PRJ* reader survey reveals who's buying what and why.

by
Celia Kuperszmid Lehrman

PUBLIC relations practitioners are engaged in an ongoing balancing act in which daily details often threaten to overwhelm vision. So to efficiently and creatively service their clients or companies, they must buy the products and services of others. No public relations professional or organization is an island—this makes them great consumers. But what are public relations people buying and why? Are they buying differently than they used to? Are they using goods and services in new ways?

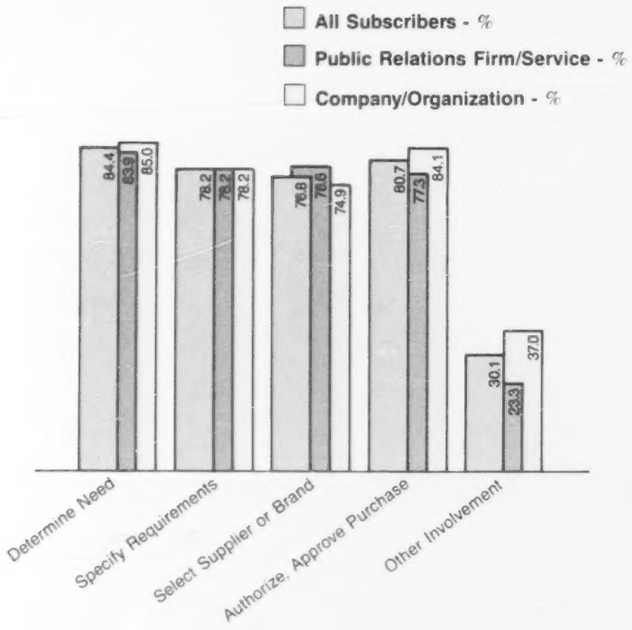
To find out the answers to these and other questions, *PRJ* commissioned Globe Research Corporation, an independent research company specializing in the magazine industry, to conduct a survey of our readers, both those who are PRSA members and those who are not. But as every journalist knows, facts and figures alone do not a story make. So we called upon some of our subscribers for their perceptions, insights, and comments. What follows is a profile of our readers and a compendium of what is on the typical public relations shopping list—and why.

More than half of the survey respondents work for independent public relations firms. The rest are employed by public relations firms that are subsidiaries of other corporations (14 percent), public relations departments of advertising agencies (20 percent), or are individual consultants (13 percent). Every type of industry and organization is represented by those polled, including industrial, manufacturing, and agricultural companies; utilities; scientific and technical firms; business and trade associations; wholesale and retail outlets; transportation, hotel, resort, and entertainment concerns; health-care services and real-estate companies; and the government and military. Overall, one-third of those public relations practitioners in corporations surveyed are employed by industrial/manufacturing companies and two-thirds by service organizations.

The average number of total employees in public relations firms in our study is 228, and the average number of public relations professionals in these firms is 33. For those working in other types of companies and organizations, the average public relations department consists of seven people.

Public relations professionals are influential within their organizations. Their positions require them to regularly counsel and meet with policy-making officials. Over 78 percent of practitioners questioned meet or counsel CEOs; 60 percent counsel chief operating officers; and 82 percent counsel other senior-management executives.

In addition, our study showed public re-



How Subscribers Are Involved in the Purchase of Products, Services, and Equipment

Base: All Subscribers
Source: Globe Research Corp., 1985

lations professionals are influential outside of their organizations. Sixty-four percent have given a speech or addressed a public meeting within the past year; 51 percent have written a book or article for publication within the last 12 months; and 68 percent were cited or interviewed by the print or broadcast media.

Over 43 percent of public relations-firm executives surveyed hold titles such as chairperson, president, owner, or partner, and over 16 percent polled in companies and organizations are vice presidents.

The average annual billings of public relations firms are over $1.8 million, and 10 percent bill $5 million or more. Annual public relations expenditures of companies and organizations average over $3.1 million, and 5.5 percent spend more than $10 million on activities, services, products, and equipment for public relations.

Although public relations is a blend of human and mechanical efforts, both the services public relations professionals offer and the tools they use to produce these services are changing. In addition to supplying press releases, acting as liaisons between their clients and the publics, and directing publicity and educational campaigns, public relations practitioners are increasingly responsible for all aspects of corporate advertising, graphics, spokesperson training, investor relations, recommending and selecting areas of client or corporate fundings and givings, direct-mail projects, educational brochures, and annual and quarterly reports and corporate-capabilities brochures. All of these require the purchasing of services.

Counseling firms are picking up business, on a project-by-project basis, from organizations with in-house public relations departments. "Corporate communications departments are running lean and mean, but all the services still have to be done. So they are going to outside firms on a piecemeal basis," says Mary Ann McCauley, vice president of corporate services, Brum & Anderson ExecuComm, a Minneapolis-based public relations firm.

The products public relations professionals are consistently buying are graphics, personal computers, computer accessories and software, printing services, audiovisual equipment, research, lists, mail and courier services, directories, alternative telephone services, and telephone equipment.

Technology and its by-products are being used to save time and money and to expand staff capabilities. Executives in public relations firms are keeping pace with their *Fortune 500* counterparts in buying and using computers and computer equipment. According to the "Trinet Executive Information Use Report," a survey of 100 top executives in the *Fortune 500* companies, one-third of senior executives and more than half of middle managers personally use computers for critical business decisions. Almost 46 percent of public relations practitioners in firms surveyed have used, recommended, or purchased a PC within the last 12 months; 37 percent use modems and other computer accessories; 45 percent use software; 27 percent use databases. Word-processing software is the most popular software purchase. "I bought our first computer four years ago when I set up this business," says Nancy Wolfe, APR, president, the Wolfe Group. "Since then we've bought computer accessories, software, databases, list-management systems, and modems."

Graphics software is being discovered and bought as graphics becomes a larger portion of the public relations-service pie. "Fifty percent of our projects have a graphic element," says Cynthia Pharr, principal, Pharr Cox Communications. "We're beginning to use computer graphics, and our use should increase as our familiarity with the software does."

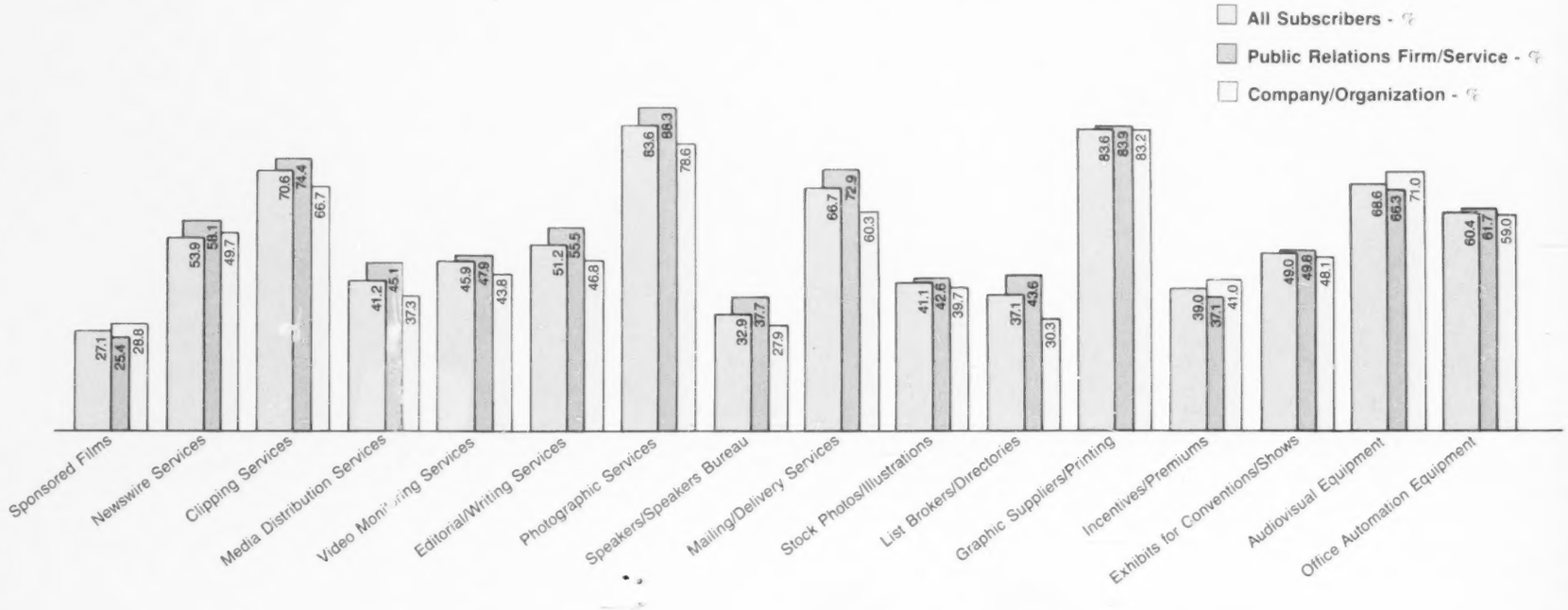
Large public relations firms and departments that find themselves consuming large amounts of graphics services are increasingly establishing in-house graphics facilities. Richard Weiner, Inc. recently started a separate company to handle its graphics operations. The American Cancer Society set up its own graphics department eight years ago to maintain greater control over costs and to ensure that printed materials remained consistent with its corporate image. "Demand for graphics has been accelerating; as we know more about graphics, we want to use it more," says Irving Rimer, APR, vice president of public information, American Cancer Society.

Audiovisual equipment remains an important public relations-organization purchase. Videocassette recorders are edging out slide and projection units as the AV equipment of choice. "I don't know of anyone who has purchased a projection screen in ages; they're becoming dinosaurs," says Pharr.

Smaller firms tend to rent audiovisual equipment instead of purchasing it outright. Some rent state-of-the-art equipment because its technology is upgraded so often, and buy less changeable items such as slide and overhead projectors. Firms that often make presentations on the road sometimes rent equipment on-site instead of bringing it from location to location. "Audiovisual equipment represents a tremendous capital outlay in relation to our needs, so we rent more often than buy," explains Wolfe. "We even rent good cameras," she adds.

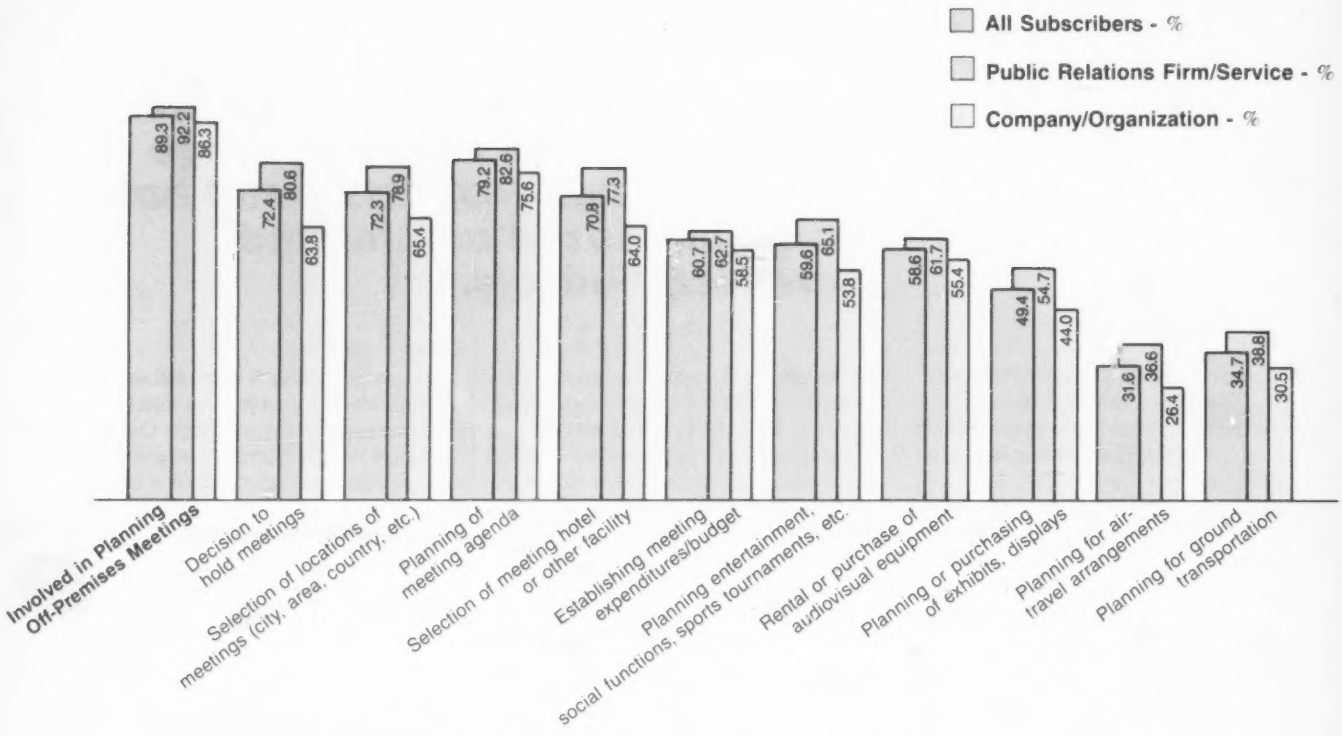
Research services such as surveys and studies and specialty public relations services such as investor relations, government relations, and spokesperson training are being sought out and purchased by many public relations companies, especially

Public relations professionals are responsible for a widening range of business decisions. This trend has meant increased control and increased budgets.



Used, Recommended, or Purchased by Subscribers' Organization in Past 12 Months

Base: All Subscribers
Source: Globe Research Corp., 1985



Functions Connected with Planning Off-Premises Meetings in which Subscribers Are Involved

Base: All Subscribers
Source: Globe Research Corp., 1985.

small firms. "Research and specialty public relations are important functions to buy," says Arthur Young, APR, president, Communication Management. "Larger firms like Hill and Knowlton have people to do these things, but smaller firms need to buy these services." However, even large organizations buy research. "We've been buying more studies, more data," says Rimer. "We're contracting attitudinal, participatory, and awareness surveys from companies like Gallup and Leo Schapiro and Associates, as well as studies that check accountability."

Public relations professionals have a strong voice in public affairs and corporate advertising. An overwhelming 77 percent of practitioners surveyed said their organization has done public relations-related corporate advertising in the last year. They are responsible for media evaluation and selection. They control substantial public relations advertising budgets, averaging $826,000 ($770,000 for public relations firms and $905,000 for companies and organizations). Almost 20 percent are responsible for budgets of $1 million or more.

Nearly all public relations professionals are involved in planning off-premise meetings—seven per year on the average. These events are held in all types of facilities—from conference centers and downtown hotels to colleges and universities to private clubs and cruise ships.

These meetings are usually large, with 139 people in attendance on the average, and they are often long. More than seven out of ten public relations practitioners coordinate the planning of events that require overnight accommodations. And according to many of the public relations professionals we spoke with, that involvement is growing. Says Richard Weiner, "The most effective form of communications remains in-person communications. Nothing is as effective as talking to a person or a group of people. As we get larger we rely more on the telephone or the mail; video telephone has not really arrived. That's why meetings and conventions still take place. And as we get more involved in sales promotion and other activities, we are more involved in the running of meetings."

Public relations professionals are responsible for a wide range of business decisions, some as specific as which newswire service to transmit news releases on, and some as generalized as how to best utilize their staff's time. Many areas formerly thought to be within the bailiwick of other companies or departments, corporate advertising and investor relations for example, are now also being handled by public relations practitioners. Increased decisions in many cases has meant increased control and increased budgets. Martin S. Walker, vice president of Periodical Services Studies, a magazine consulting firm, says of *Public Relations Journal* subscribers: "They are very involved in major purchasing decisions; they are not just sitting out in left field." ■

Celia Kuperszmid Lehrman is an assistant editor at the Public Relations Journal.